

By: Reynolds

H.B. No. 2537

A BILL TO BE ENTITLED

AN ACT

relating to county regulation of short-term rental units in the unincorporated area of certain counties; authorizing a civil penalty; authorizing a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 240, Local Government Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. REGULATION OF SHORT-TERM RENTAL UNITS IN CERTAIN COUNTIES

Sec. 240.101. DEFINITIONS. In this subchapter:

(1) "Permit" means a permit issued under this subchapter for the rental of a short-term rental unit.

(2) "Short-term rental unit" means a dwelling that is:

(A) used or designed to be used as the home of a person, family, or household, including a single-family dwelling or a unit in a multi-unit building, including an apartment, condominium, cooperative, or timeshare; and

(B) rented wholly or partly for a fee and for a period of less than 30 consecutive days.

(3) "Unit provider" means a person who rents a short-term rental unit to another person.

Sec. 240.102. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a county with a population of 585,000 or more that is adjacent to a county with a population of 4 million or more.

1 Sec. 240.103. AUTHORITY TO REGULATE SHORT-TERM RENTAL
2 UNITS. (a) In accordance with this subchapter, the commissioners
3 court of a county by order may regulate short-term rental units
4 located in the unincorporated area of the county.

5 (b) A county regulation applicable to a short-term rental
6 unit may require the unit provider to:

7 (1) register the unit and obtain a permit under this
8 subchapter; and

9 (2) provide the contact information for the person
10 responsible for responding to complaints regarding the unit.

11 (c) If a county adopts a registration requirement for unit
12 providers under Subsection (b), a unit provider may not rent a
13 dwelling to another person as a short-term rental unit unless the
14 unit provider has a permit issued under this subchapter.

15 Sec. 240.104. REGISTRATION PERMITS; FEES. (a) A county
16 that adopts a registration requirement under Section
17 240.103(b)(1):

18 (1) shall approve or deny a registration application
19 not later than the 45th calendar day after the date the county
20 receives the application; and

21 (2) may require the applicant to affirm that the unit
22 does not violate any rules or bylaws of any condominium,
23 cooperative, property owners' association, or other similar entity
24 that has jurisdiction over the property in which the unit is
25 located.

26 (b) If the county approves a registration application, the
27 county shall issue to the applicant a permit that is valid for at

1 least one year.

2 (c) A county may not charge a registration fee in an amount
3 greater than the lesser of:

4 (1) the amount to cover the administrative costs of
5 enforcing the registration requirement; or

6 (2) \$450.

7 (d) A county may not restrict the number of permits issued
8 under this subchapter.

9 (e) If a county fails to approve or deny a registration
10 application in accordance with Subsection (a)(1), the registration
11 is considered approved.

12 (f) A permit holder may not transfer a permit to another
13 person.

14 Sec. 240.105. COMPLAINTS. (a) A county that adopts a
15 registration requirement under Section 240.103 shall maintain an
16 Internet website or a telephone hotline that provides the contact
17 information of permit holders to members of the public for the
18 purpose of contacting permit holders regarding complaints about
19 short-term rental units.

20 (b) A permit holder shall keep the permit holder's current
21 contact information on file with the county, including the permit
22 holder's name, telephone number, and e-mail address.

23 Sec. 240.106. ENFORCEMENT; CIVIL PENALTY. (a) A county may
24 suspend a permit for a period not to exceed one year if the permit
25 holder violates a regulation adopted under this subchapter.

26 (b) A county may assess a civil penalty against a permit
27 holder not to exceed \$200 per day for a violation under this

1 subchapter.

2 Sec. 240.107. CONSTRUCTION OF SUBCHAPTER. This subchapter
3 does not prohibit:

4 (1) a condominium, cooperative, property owners'
5 association, or other similar entity from prohibiting or otherwise
6 restricting an owner of property within the entity's jurisdiction
7 from using the property as a short-term rental unit;

8 (2) a lessor, through the terms of a lease agreement,
9 from restricting the use of the leased property as a short-term
10 rental unit; or

11 (3) a property owner from placing a restrictive
12 covenant or easement on the property that restricts the future use
13 of the property as a short-term rental unit.

14 SECTION 2. This Act takes effect September 1, 2021.